

PRESS RELEASE

Financial institutions develop methodology to measure their carbon impact

Paving the way to a carbon-free future

Twelve Dutch banks, insurance companies, asset managers and pension providers have developed a methodology for measuring the carbon footprint of their investments and loans. This will enable them to set their own targets for helping to keep global warming within safe limits. The final report, including the methodology – the product of two years' work – was published on 12 December 2017.

Influencing the carbon footprint

Financial institutions can influence the carbon footprint of business undertakings. They do this by taking account of the business's carbon footprint when they make investment decisions. And by entering into a dialogue on the carbon footprint of business undertakings in which they invest or which they finance.

That information forms the basis of the Platform Carbon Accounting Financials (PCAF). This is one of the first initiatives in which financial institutions have worked together to reduce carbon emissions. The PCAF's members consist of banks ABN AMRO, ASN Bank, Triodos Bank and De Volksbank, pension funds PMT and PME, asset managers ACTIAM, Achmea Investment Management, APG, MN and PGGM, and development bank FMO. At the Paris Climate Change Conference in Paris in 2015, they signed the Dutch Carbon Pledge, promising to join forces in the interests of the climate. Insurance company Achmea Investment Management joined the PCAF in 2017.

Common, transparent methodology

The PCAF members' plan was to develop within two years a common, transparent methodology that would enable financial institutions to set targets for carbon emissions and to measure the extent to which these targets were achieved. The recently published report describes such methodologies for listed equities, project finance, government bonds, mortgages, corporate finance and real estate. The report is in the public domain. The PCAF members hope this will encourage other financial institutions to adopt these methodologies.

Unique collaboration between financials

Piet Sprengers of ASN Bank, Chair of PCAF says: 'We have worked hard for two years and have achieved a great result thanks to the unique collaboration between twelve financials. It is now time to build on this result and really get to grips with the methodology. We are therefore going to proceed with the PCAF for another two years, so that together we can continue to encourage and inspire other institutions. Ultimately, what is important is that we use our influence as financiers and investors to help keep global warming within safe limits.'

Promoting the developed methodology internationally

PCAF's stance is that a financial institution's footprint reporting is a means to an end. The ultimate purpose is to allow steering towards a low-carbon portfolio in line with the Paris Agreement.

PCAF continues for at least two years. The members also intend to share best practices, address dilemmas and work together on improving the methodologies. They are furthermore going to promote the developed methodology internationally. PCAF is also part of the Dutch Sustainable Finance Platform, chaired by the Dutch Central Bank (DNB).

About PCAF

Twelve Dutch financial institutions – the Platform for Carbon Accounting Financials (PCAF) – are working together to jointly develop transparent open source methodologies to measure the carbon footprint of their investments and loans. By measuring and disclosing this information they expect to develop more effective strategies that help contribute to a low carbon society, in the hope that stakeholders inside and outside the Dutch financial industry will follow suit.

About the Sustainable Finance Platform of the DNB

The Sustainable Finance Platform is a cooperative venture of De Nederlandsche Bank (chair), the Dutch Banking Association, the Dutch Association of Insurers, the Federation of the Dutch Pension Funds, the Dutch Fund and Asset Management Association, the Netherlands Authority for the Financial Markets, the Ministry of Finance, the Ministry of Infrastructure and the Environment, and the Sustainable Finance Lab. The aim of this platform, set up by DNB in 2016, is to promote and encourage a dialogue on sustainable finance in the financial sector.

Note for editors / not for publication:

For more information on PCAF, please contact:

Britt Enthoven, ASN Bank, telephone +31 (0)70 356 93 47 / britt.enthoven@asnbank.nl